Regional Express Holdings Limited REX

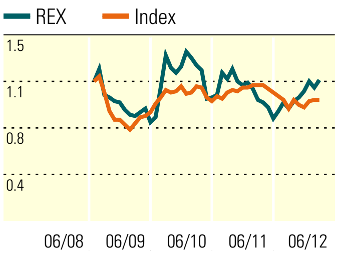
Great result, tough outlook more than priced in

Analyst Recommendation: **Buy** 15 March 2012

Snapshot

Business Risk	High
Price Risk	Medium
Moat Rating	None
Fair Value $	1.60
Market Cap $Mil	138
Morningstar Style Box	
Last Price $	1.14
52 Week High/Low $	1.15/0.80
Shares Issued Mil	121
Sector	GICS - Transportation

Price vs. Market



	06/10	06/11	06/12e	06/13e
NPAT ($Mil)	17.7	16.5	25.4	23.9
EPS ¢	15.9	14.9	22.8	21.5
EPS Chg %	-7.0	-6.7	53.4	-5.7
DPS ¢	0.0	7.1	8.0	9.0
Franked %	100.0	100.0	100.0	100.0
Div Yld %	0.0	6.7	7.0	7.9
P/E x	7.3	7.2	5.0	5.3

Source: Morningstar analyst estimates.

Business Description

Regional Express (REX) is an Australia based independent regional airline. It was established in 2002 by a consortium of Singaporean and Australian investors, with the merger of Hazelton and Kendell, and the purchase of some former Ansett assets, and is the sole provider on the majority of its routes.

▼**1.14** Last Price

Buy	Accumulate	Hold	Reduce	Sell
$	1.15	1.35	1.85	2.20

Investment Rating

REX is Australia´s largest independent regional airline, established in 2002 from the merger of Hazelton and Kendell. Airlines are capital intensive and traditionally offer poor returns for investors. But REX has a resilient core airline business holding monopoly position on most routes, many too small to be profitably served by Qantas, Virgin Blue or Jetstar. Expectations for solid growth in the charter business and pilot academy add to the appeal. Free float is small and share turnover low. REX is suitable for risk tolerant investors.

Event

► An excellent 1H12 result with NPAT jumping 52% to $13.4m on a 17% increase in revenue on start of the big Air Ambulance Victoria charter contract and a hefty average fare increase from $162 to $182.

► The core airline business recorded a 26% increase in EBIT to $19.9m. The weak economy combined with the fare increase pushed passenger numbers down 4% to 608.5k. Load factor fell 110bps to 60.1%.

► Charter operations rebounded from a small loss last year to EBIT of $2.4m. In addition to the Air Ambulance contract, the charter business began a new three year contract with Defence for target towing.

► The pilot academy is close to breakeven, reducing loss from $0.5m to $0.1m thanks to a contract to train cadets for a United Arab Emirates carrier.

Impact

► Our forecasts increase on the good result. FY13 NPAT is likely to be lower than FY12 due to increased costs difficult to fully recover given higher fares hurt passenger numbers. Fair value is unchanged.

► In our opinion, management's bleak outlook is accurate and regional communities will suffer. But REX can shield itself by dropping smaller, less profitable routes and increasing fares elsewhere, possible given limited competition. Passenger numbers are likely to fall but profit should hold up reasonably well, probably easing slightly.

► On a PE ratio of just 5x, the soft airline outlook is more than priced in while good charter potential is ignored.

Recommendation Impact

No change to our Buy recommendation.

Regional Express Holdings Limited REX

Adrian Atkins
Morningstar Analyst

Analyst Note

An excellent 1H12 result with NPAT jumping 52% to $13.4m on a 17% increase in revenue on start of the big Air Ambulance Victoria charter contract and a hefty average fare increase from $162 to $182. The result beat our expectations due to the fare increase. Costs jumped 12% to $121.7m mainly on higher fuel prices, wages and depreciation. Maintenance and administration costs also increased. Balance sheet remains strong with debt of $28m underpinned by the long term Air Ambulance contract. Net debt is just $8m.

Our forecasts increase on the good result. FY13 NPAT is likely to be lower than FY12 due to increased costs difficult to fully recover given higher fares hurt passenger numbers. Fair value is unchanged. On a PE ratio of just 5x, the soft airline outlook is more than priced in while good charter potential is ignored.

The core airline business recorded a 26% increase in EBIT to $19.9m. The weak economy combined with the fare increase pushed passenger numbers down 4% to 608.5k. Load factor fell 110bps to 60.1%. Management paint a bleak future for this division with weak economic conditions, higher fuel prices and increased government related imposts including the carbon tax, the end of the en route rebate scheme and new security costs adding an extra $6m pa starting 1 July 2012.

In our opinion, management's bleak outlook is accurate and regional communities will suffer. But REX can shield itself by dropping smaller, less profitable routes and increasing fares elsewhere, possible given limited competition. Passenger numbers are likely to fall but profit should hold up reasonably well, probably easing slightly. The severe outlook statement may also have political undertones – to pressure the government to stop increasing imposts on regional carriers and/or to explain to regional communities why services must reduce and fares increase.

Charter operations rebounded from a small loss last year to EBIT of $2.4m. In addition to the Air Ambulance contract, the charter business began a new three year contract with Defence for target towing. It is well placed to win another Defence contract though the tender outcome continues to delay. Fly in/fly out work for mining companies is a focus and capabilities are increasing. Start of freight runs to Papua New Guinea could be a precursor to charter work.

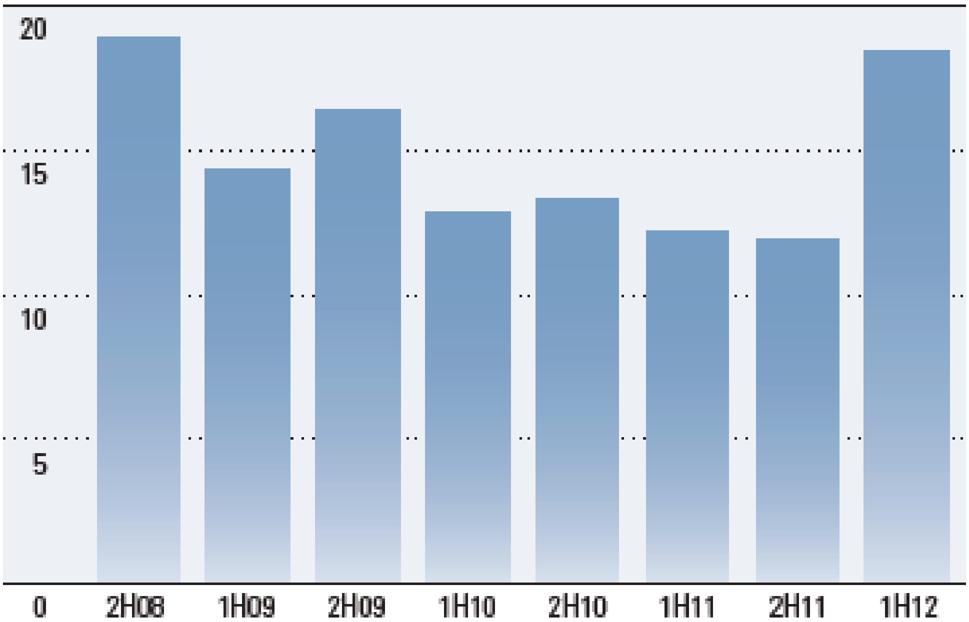
The pilot academy is close to breakeven, reducing loss from $0.5m to $0.1m thanks to a contract to train cadets for a United Arab Emirates carrier willing to overlook the strong A$. The pilot academy is unlikely to become a great financial success. Main purpose is to provide a steady stream of junior pilots to offset attrition to major carriers.

Big fully franked dividends are possible due to higher profit combined with lower capex requirements after completing the fleet renewal program. But accurate forecasts are very difficult. Dividends fluctuated in recent years between 0 and 7.1cps. We think an 8cps dividend is possible in FY12 while retaining enough earnings to keep a strong balance sheet and possibly fund a share buyback.

Regional Express Holdings Limited REX

Adrian Atkins
Morningstar Analyst

Financial Performance (Profit Before Tax $m)



Source: Morningstar Analysts

Regional Express Holdings Limited REX

Bulls Points

- REX faces minimal competition making it resilient to most negative forces.
- Potential upside from high margin charter work for mining and government sectors.
- Potential upside from the pilot academy.
- Balance sheet is strong.

Bears Points

- Rising costs, in particular fuel, wages, the carbon tax and other government related costs, and airport costs, are negative for profits.
- Competition and capacity could increase causing Load Factors to deteriorate.
- Economic woes will reduce passenger demand.
- High pilot attrition could once again be an issue for the company when global growth improves.

Key Valuation Assumptions

Cost of Equity %	15.0
Weighted Avg Cost of Capital %	13.8
Long Run Tax Rate %	29.7
Stage II EBI Growth Rate %	3.0
Stage II Investment Rate %	12.0
Perpetuity Year	15.0

Thesis Last Updated: 15 Mar 2012

REX is Australia´s largest independent regional airline. It services regional routes and was established in 2002 with the merger of Hazelton and Kendell. It is the sole provider in the majority of its routes which are too small to be profitably serviced by Qantas, Virgin Blue or Jetstar. Competition, low operating margins, high fixed costs, low asset turnover, and high capital expenditure requirements are characteristics most airlines cannot escape. Overcapacity in the airline industry has been a problem.

REX holds monopoly positions on most of its routes. There is currently little incentive for competitors to set up, with most routes unable to service more than one provider profitably. This is similar to rural and small regional newspapers without the possible competition from the internet. REX services many of the routes Ansett maintained prior to bankruptcy. Recent growth into Queensland is hard work with Qantas defending its monopoly vigorously. There will be no easy gains at Qantas´ expense.

There is no class structure in terms of service, but the airline price discriminates in terms of flight times, with flights at times most likely to suit business travelers (early morning and evening) at 1.5 - 2x their midday or tourist-targeted equivalents.

Travel alternatives are moderate given Australia´s poor rail offering. Private car travel and coach may be cheaper but highly time consuming.

Airline revenue can grow through increases in the average fare, increase in the number of passengers per flight (load factor), increase in the number of flights on existing routes, and increase in the number of routes flown. REX also owns a charter business and a pilot academy which should contribute materially to earnings from FY12.

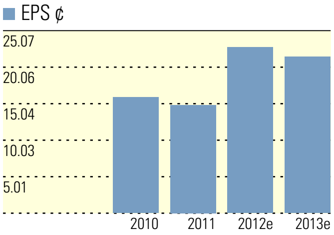
Balance sheet is strong. Key to our valuation is free cash flow which is helped by cheap planes. Airlines typically trade on low earnings multiples because of their capital intensive nature. Growth of charter operations looks attractive. REX is suitable for risk tolerant investors.

Valuation Last Updated: 15 Mar 2012

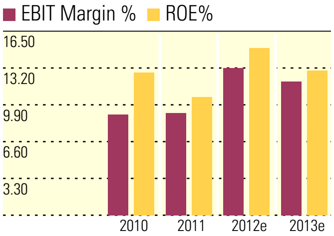
Fair value is $1.60. The near-term outlook remains subdued with discretionary travel weak following the GFC. Potential headwinds to growth could include another pilot shortage, high fuel costs and global economic woes. We forecast Available Seat Kilometres (ASK) to show low single digit growth over the medium-term. We assume the average fares to remain around $190 over the longer term to offset higher costs. We assume a Load Factor - the measure of a plane´s utility - of around 60%, in line with recent history. Airport costs are expected to remain around 5 cents per ASK. Costs are rising with jet fuel typically following the oil price on a one month lag, salaries increasing faster than inflation, introduction of the carbon tax and other new government related costs. We expect fares will roughly match increases in costs.

Regional Express Holdings Limited REX

EPS



EBIT Margin vs. ROE



Risk Last Updated: 15 Mar 2012

Passenger demand remains weak following the GFC while costs continue to ratchet higher. Airlines are capital intensive and have traditionally offered poor returns for investors. Pilot attrition is a risk for REX as it is unable to match salaries with larger airlines. The global economic slowdown saw pilot demand fall off sharply, allowing REX to get on top of its pilot shortage, however, pilot demand is expected to increase over the next couple of years as airlines once again increase capacity. In the event of another pilot exodus, REX may be unable to replace all lost captains. Co-pilots are easier to replace. The pilot academy is a major investment in a new, non-core business enterprise. It may prove unsuccessful. Increased competition on REX routes, particularly by QantasLink, is another risk. REX pays fees to infrastructure providers - e.g. Sydney Airport - many of whom are monopolies. The infrastructure providers may increase fees.

Financial Overview

Growth

Near-term passenger growth will be subdued until regional economies improve. Most growth will come from increasing charter work and higher fares.

Profitability

Load factors, which are key to profitability, are currently around 60%. REX generates profits on Load factors above 55%. Current EBITDA margin is around 18%.

Financial Health

REX is financially strong. Debt is rising with investment in charter aircraft but financing costs are covered by long-term charter contracts.

Strategy Analysis Last Updated: 15 Mar 2012

Passenger and revenue growth comes through improved schedules, increased flight frequencies and seating capacity. Fares are increasing to offset rising costs but remain affordable and sustainable. Expansion into Queensland is hard work with Qantas aggressively defending its position. REX builds relationships with regional councils through joint ventures. The company runs the aircraft through operating leases but also owns some. REX flies on regional routes and does not offer dedicated services between capital cities. It is the largest holder of NSW regional slots at Sydney airport via Hazelton and Kendall legacy slots, with approximately 45% in peak periods (7.30am - 9.00am and 5.30pm - 7.00pm). Route frequency is paramount to regional travel, making it difficult for larger jets to compete on REX´s routes. An increasing focus on higher-margin charter work servicing the mining and government sectors should drive good growth. The pilot academy will help alleviate pilot attrition which is a key risk for smaller airlines.

General Financials

Financials

Per Share	Historical 06/09	06/10	06/11	Forecast 06/12	06/13	06/14
Sales ¢	215.3	201.4	214.2	256.0	269.5	268.7
Adjusted Earnings ¢	17.1	15.9	14.9	22.8	21.5	20.9
Free Cash Flow ¢	5.3	-39.5	6.3	32.8	23.7	22.5
Net Tangible Assets ¢	104.5	129.2	137.8	152.6	165.1	176.2
Book Value ¢	111.0	135.7	144.5	159.3	171.8	182.9
Dividends ¢	6.6	0.0	7.1	8.0	9.0	9.8
Franking %	100.0	100.0	100.0	100.0	100.0	100.0

Growth %	06/09	06/10	06/11	06/12	06/13	06/14
Sales Revenue	-4.4	-8.1	6.5	19.5	5.3	-0.3
EBITDA	-7.0	-6.7	9.3	56.0	1.2	-2.0
Pre-Tax Profit	-5.1	-13.8	-1.6	55.1	-5.8	-2.5
EPS	0.4	-7.0	-6.7	53.4	-5.7	-2.5
DPS	0.0	–	–	12.7	12.5	8.9
Free Cash Flow per share	-19.6	-842.9	–	421.3	-27.8	-5.1

Profit & Loss ($Mil)	06/09	06/10	06/11	06/12	06/13	06/14
Sales Revenue	243.3	223.6	238.2	284.7	299.8	298.9
EBITDA	32.4	30.2	33.0	51.6	52.2	51.1
Depreciation	9.1	10.0	11.2	14.0	16.2	16.0
Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	23.3	20.2	21.9	37.6	36.0	35.1
Interest Expense	0.2	0.1	0.0	2.3	2.3	2.3
Interest Income	4.1	3.3	1.2	0.4	0.0	0.0
Profit Before Tax	27.2	23.4	23.0	35.7	33.7	32.8
Tax	7.8	5.7	6.5	10.4	9.8	9.5
Adjusted NPAT	**19.3**	**17.7**	**16.5**	**25.4**	**23.9**	**23.3**
Non-Recurring Items After Tax	0.0	6.8	1.1	0.0	0.0	0.0
Reported NPAT	19.3	24.5	17.6	25.4	23.9	23.3
Free Cash Flow	6.0	-43.9	7.0	36.5	26.3	25.0
Effective Tax Rate %	28.8	24.5	28.2	29.0	29.0	29.0

Cash Flow ($Mil)	06/09	06/10	06/11	06/12	06/13	06/14
Receipts from Customers	269.3	252.9	263.5	282.8	299.2	298.9
Payments to Suppliers	-230.3	-215.2	-230.1	-230.0	-247.0	-247.8
Other Operating Cashflow	-9.2	-7.6	1.0	-6.6	-11.3	-11.4
Net Operating Cashflow	**29.8**	**30.0**	**34.4**	**46.1**	**40.9**	**39.8**
Capex	-17.7	-61.9	-28.8	-11.0	-16.2	-16.4
Acquisitions & Investments	1.0	0.0	0.0	0.0	0.0	0.0
Sales of Investments & Subsidiaries	0.0	2.5	6.6	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.4	0.9	0.0	0.0	0.0
Net Investing Cashflow	**-16.8**	**-59.0**	**-21.3**	**-11.0**	**-16.2**	**-16.4**
Proceeds from Issues	-3.6	-0.4	0.0	0.0	0.0	0.0
Proceeds from Borrowings	-1.8	24.3	3.0	-26.2	-2.8	0.0
Dividends Paid	-7.4	0.0	-7.3	-8.9	-10.0	-10.9
Other Financing Cashflow	0.0	-0.1	0.0	0.0	0.0	0.0
Net Financing Cashflow	**-12.8**	**23.8**	**-4.3**	**-35.1**	**-12.8**	**-10.9**
Net Increase Cash	0.3	-5.1	8.8	-0.0	11.9	12.4
Cash at Beginning	15.1	15.5	10.3	19.0	19.0	30.9
Exchange Rate Adjustment	0.1	-0.0	-0.1	0.0	0.0	0.0
Cash at End	15.5	10.3	19.0	19.0	30.9	43.3

General Financials

Financials

Balance Sheet ($Mil)	Historical 06/09	06/10	06/11	Forecast 06/12	06/13	06/14
Cash & Equivalents	15.5	10.3	19.0	19.0	30.9	43.3
Accounts Receivable	8.3	9.5	10.0	12.0	12.6	12.5
Inventory	7.5	7.7	10.4	11.9	12.3	12.4
Other Short-Term Operating Assets	0.0	3.3	0.0	0.0	0.0	0.0
Total Current Assets	31.3	30.9	39.4	42.9	55.9	68.3
Property Plant & Equipment, Net	126.4	174.8	185.7	182.8	182.8	183.2
Goodwill, Net	7.3	7.3	7.5	7.5	7.5	7.5
Other Intangibles	–	–	0.0	0.0	0.0	0.0
Other Long-Term Operating Assets	2.7	5.0	6.9	6.9	6.9	6.9
Deferred Tax Assets	3.0	0.9	0.0	0.0	0.0	0.0
Long-Term Non-Operating Assets	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	**170.8**	**218.9**	**239.6**	**240.1**	**253.1**	**265.9**
Accounts Payable	31.1	18.3	19.4	22.5	23.1	23.2
Short-Term Debt	1.7	–	1.9	0.0	0.0	0.0
Other Short-Term Operating Liabilities	9.9	16.4	29.2	29.2	29.2	29.2
Total Current Liabilities	42.6	34.7	50.5	51.8	52.4	52.4
Total Long-Term Debt	0.0	26.0	27.1	2.8	0.0	0.0
Long-Term Operating Liabilities	0.5	–	–	0.0	0.0	0.0
Deferred Tax Liabilities	2.3	7.5	0.6	7.8	9.1	9.6
Long-Term Non-Operating Liabilities	–	–	0.5	0.5	0.5	0.5
Total Liabilities	**45.3**	**68.2**	**78.8**	**62.9**	**62.0**	**62.5**
Common Stock	75.0	74.7	74.7	74.7	74.7	74.7
Additional Paid in Capital	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings (Deficit)	51.4	76.0	86.3	102.7	116.6	129.0
Treasury Stock	0.0	0.0	0.0	0.0	0.0	0.0
Other Equity	-1.0	-0.0	-0.2	-0.2	-0.2	-0.2
Shareholders' Equity	**125.4**	**150.6**	**160.8**	**177.2**	**191.1**	**203.5**
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Shareholders' Equity	**125.4**	**150.6**	**160.8**	**177.2**	**191.1**	**203.5**

Profitability %	06/09	06/10	06/11	06/12	06/13	06/14
EBITDA Margin	13.3	13.5	13.9	18.1	17.4	17.1
EBIT Margin	9.6	9.0	9.2	13.2	12.0	11.8
Net Profit Margin	8.0	7.9	6.9	8.9	8.0	7.8
Free Cash Flow Margin	2.5	-19.6	2.9	12.8	8.8	8.4
Return on Equity	16.3	12.8	10.6	15.0	13.0	11.8
Return on Assets	11.5	9.1	7.2	10.6	9.7	9.0
Return on Invested Capital(w/Goodwill)	12.3	8.2	11.4	17.9	14.2	13.5
ROIC (w/Goodwill) Less WACC	-1.5	-5.6	-2.3	4.1	0.4	-0.3

Leverage & Liquidity	06/09	06/10	06/11	06/12	06/13	06/14
Net Debt to Capital %	-10.9	8.9	5.2	-9.0	-16.2	-21.3
Net Debt/(Net Debt + Equity) %	-12.4	9.4	5.8	-10.1	-19.3	-27.1
Net Debt/Equity %	-11.0	10.4	6.2	-9.2	-16.2	-21.3
Net Debt/EBITDA x	-0.4	0.5	0.3	-0.3	-0.6	-0.8
EBIT/Net Interest Expense x	–	–	–	–	–	–
Current Ratio (Current Assets/Current Liabilities) x	0.7	0.9	0.8	0.8	1.1	1.3
Dividend Payout Ratio %	38.6	0.0	47.8	35.1	41.9	46.8
Cash Per Share ¢	13.7	9.3	17.1	17.1	27.8	39.0
Net Cash Per Share ¢	12.2	-14.1	-9.0	14.6	27.8	39.0

General Financials

Financials

Valuation	06/09	06/10	06/11	06/12	06/13	06/14
	Historical			Forecast		
Price/Earnings x	5.7	7.3	7.2	5.0	5.3	5.4
PEG Ratio x	16.2	-1.0	-1.1	0.1	-0.9	-2.2
EV/EBITDA x	3.0	–	3.9	2.7	2.6	2.7
EV/EBIT x	4.1	–	5.9	3.6	3.8	3.9
Free Cash Flow Yield %	5.5	-34.2	5.9	28.8	20.8	19.7
Dividend Yield %	6.8	0.0	6.7	7.0	7.9	8.6
Price/(OCF per share) x	3.8	4.3	3.4	2.7	3.1	3.2
Price/(FCF per share) x	18.3	-2.9	17.0	3.5	4.8	5.1
Price/Sales x	0.5	0.6	0.5	0.4	0.4	0.4
Price/NTA x	0.9	0.9	0.8	0.7	0.7	0.6
Price/Book x	0.9	0.9	0.7	0.7	0.7	0.6

Working Capital & Capex	06/09	06/10	06/11	06/12	06/13	06/14
Average Days in Inventory (1)	22.2	25.7	27.9	29.8	31.4	31.9
Average Days in Receivables (2)	18.6	14.5	14.9	14.1	14.9	15.3
Operating Cycle, in Days (1+2)	40.7	40.3	42.8	43.9	46.3	47.2
Average Days Payables Outstanding	101.6	83.4	57.9	56.1	59.0	59.7
Operating Cash Flow/EBITDA %	92.0	99.2	104.2	89.5	78.4	77.8
Free Cash Flow/NPAT %	31.1	-248.3	42.4	143.9	110.3	107.4
Maintenance Capex/Depreciation %	0.0	0.0	0.0	50.2	44.5	46.5

Disclosure and Research Methodology

We seek undervalued stocks with a medium to long-term investment time horizon. Companies that make the best investments tend to be those able to grow earnings per share year after year and which are able to grow at rates above the average of the market. Earnings growth supports a solid and growing dividend stream which is the essence of shareholder return.

In searching for the best businesses in the market, we want to see an ability to turn revenue into profits and a record of strong returns to equity. The ability to generate strong free cash flow is critical as this is where the funds come from to pay dividends or to invest in new growth areas. The greatest free cash flow generators will have strong margins, good controls over working capital and limited requirement for capital expenditure. The best businesses will also have robust balance sheets including a not onerous level of debt. We believe in strong, experienced and disciplined management.

Recommendations

Our qualitative recommendations are simple and easy to understand:

- Buy: Substantially undervalued
- Accumulate: Modestly undervalued
- Hold: Appropriately priced, neither buy nor sell
- Reduce: Sell part holding
- Sell: Sell all holdings now
- Avoid: Not investment grade

Economic Moats

The pursuit of high quality businesses is central to our investment philosophy. These offer the greatest gains to the long term investor, so long as they are bought at a reasonable price. The concept of economic moats is valuable in assessing the quality of a business, with the phrase popularised by Warren Buffett and Charlie Munger. Just as wide moats protected castles from invaders in medieval times, businesses with wide economic moats have strong defences against their profits being competed away.

We ascribe a moat rating to each stock researched: Wide, Narrow or None.

The moat is the competitive advantage that one company has over other companies in the same industry. Wide moat firms have unique skills or assets, allowing them to stay ahead of the competition and earn above-average profits for many years. Returns on their invested capital will exceed the cost of that capital. Without a moat, highly profitable firms can have their profits competed away. Other companies will see how attractive the market is and try to move in to reap some of the rewards themselves.

Sources of economic moats include innovation skills or first mover advantages, a superior cost position, the ability to provide a range of products to suit the needs of a variety of markets, high switching costs or locking out of competitors.

The moat rating is just one of the ingredients used in determining whether a company is undervalued, though it is obviously an important one. We are not saying that no-moat companies should be avoided. Simply, the very best long term investments are in wide moat firms bought when they are undervalued.

Intrinsic Value

Intrinsic Value (otherwise known as Fair or Underlying Value) is the analyst's interpretation of what the stock is worth today. The stock is considered to be undervalued when the quoted price is below this point or overvalued where the price is above it.

Whether to invest in a stock will depend on consideration of the prospective return and the risk undertaken. Prospective return includes both share price moves and dividend yield. Our analysts incorporate the stock's risk in their intrinsic value. Other things being equal, lower risk stocks will have greater intrinsic value than higher risk ones. A stock becomes a buy when the quoted share price is at a discount to intrinsic value that provides a sufficient prospective return.

Business Risk

Business risk encompasses all operational risk and financial risk. Companies with low business risk have the most reliable earnings streams. A change in business conditions may reduce earnings predictability and therefore increase risk. Examples are market entry of a new competitor, unfavourable shifts in the economy, changes in key management personnel, major investment in an uncertain new venture or acquisition, and increased interest burden caused by higher debt levels or raised interest rates.

Pricing Risk

Pricing risk reflects the premium or discount implied in the current price of the shares. Many growth stocks trade on high earnings multiples giving them high pricing risk though they may have low business risk. Investors should consider their risk tolerance before investing in the share market. Many investors will decide to have only low risk stocks in their portfolio though others will accept higher risk levels in order to pursue higher returns.

Declaration

Declaration of personal shareholdings, disclosure list.

These positions can change at any time and are not additional recommendations. AAO, ABC, ACG, ACL, ACR, AFI, AGK, AGS, AGX, AKF, ALL, ALS, AMP, ANO, ANP, ANZ, APA, APN, ARD, ARG, ARU, ASB, ASX, ASZ, ATI, AUN, AVX, BEN, BFG, BHP, BKI, BKN, BLY, BND, BNO, BOQ, BSL, BTU, BWP, BXB, CAB, CBA, CDD, CGS, CIF, CND, COF, COH, CPA, CPB, CQO, CRK, CRZ, CSL, CSS, CTN, DJS, DOW, DTE, DUE, EGL, EGP, EPX, EQT, ERA, ESV, EVZ, FMG, FXJ, GBG, GCL, GFF, GMG, GPT, GWA, HIL, HSN, HST, IAG, IFL, IGR, IIN, ILF, ILU, IPD, JMB, KAR, KBC, KCN, KEY, KMD, LEG, LEI, LLC, MBN, MCR, MFF, MIO, MPO, MQG, MSB, MSF, MTS, MYR, NAB, NEU, NHC, NMS, NUF, NUP, NVT, NWS, OSH, OST, PBG, PBT, PGA, PGM, PMV, PNR, PPT, PRE, PRG, PRY, PTS, QBE, QFX, QUB, RCR, REX, RFE, RHC, RHG, RIO, RKN, RQL, RWH, SAKHA, SEK, SGP, SGT, SHV, SMX, SOL, SRH, SRX, STS, SUN, SVW, TAH, TCL, TEN, TLS, TOL, TPM, TRF, TRS, TSE, UGL, UXC, WAL, WAM, WBB, WBC, WCB, WDC, WES, WHC, WHG, WOW, WPL, WRT, ZGL.